

## MICHIGAN RENAISSANCE ZONE ACT

### Act 376 of 1996

AN ACT to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1999, Act 98, Eff. Oct. 11, 1999.

*The People of the State of Michigan enact:*

#### **125.2681 Short title.**

Sec. 1. This act shall be known and may be cited as the “Michigan renaissance zone act”.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

#### **125.2682 Legislative findings and declarations.**

Sec. 2. The legislature of this state finds and declares that there exists in this state continuing need for programs to assist certain local governmental units in encouraging economic development, the consequent job creation and retention, and ancillary economic growth in this state. To achieve these purposes, it is necessary to assist and encourage the creation of renaissance zones and provide temporary relief from certain taxes within the renaissance zones.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

#### **125.2683 Definitions.**

Sec. 3. As used in this act:

(a) "Agricultural processing facility" means 1 or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

(b) "Board" means the state administrative board created in 1921 PA 2, MCL 17.1 to 17.3.

(c) "Development plan" means a written plan that addresses the criteria in section 7 and includes all of the following:

(i) A map of the proposed renaissance zone that indicates the geographic boundaries, the total area, and the present use and conditions generally of the land and structures within those boundaries.

(ii) Evidence of community support and commitment from residential and business interests.

(iii) A description of the methods proposed to increase economic opportunity and expansion, facilitate infrastructure improvement, and identify job training opportunities.

(iv) Current social, economic, and demographic characteristics of the proposed renaissance zone and anticipated improvements in education, health, human services, public safety, and employment if the renaissance zone is created.

(v) Any other information required by the board.

(d) "Elected county executive" means the elected county executive in a county organized under 1966 PA 293, MCL 45.501 to 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

(e) "Local governmental unit" means a county, city, village, or township.

(f) "Person" means an individual, partnership, corporation, association, limited liability company, governmental entity, or other legal entity.

(g) "Qualified local governmental unit" means either of the following:

(i) A county.

(ii) A city, village, or township that contains an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(h) "Recovery zone" means a tool and die renaissance recovery zone created in section 8d.

(i) "Renaissance zone" means a geographic area designated under this act.

(j) "Residential rental property" means that term as defined in section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

(k) "Review board" means the renaissance zone review board created in section 5.

(l) "Rural area" means an area that lies outside of the boundaries of an urban area.

(m) "Urban area" means an urbanized area as determined by the economics and statistics administration,

United States bureau of the census according to the 1990 census.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1999, Act 98, Eff. Oct. 11, 1999;—Am. 2000, Act 259, Imd. Eff. June 29, 2000;—Am. 2005, Act 275, Imd. Eff. Dec. 19, 2005.

#### **125.2684 Designation of local governmental unit as renaissance zone; application; criteria; additional distinct geographic areas.**

Sec. 4. (1) One or more qualified local governmental units may apply to the review board to designate the qualified local governmental unit or units as a renaissance zone if all of the following criteria are met:

(a) The geographic area of the proposed renaissance zone is located within the boundaries of the qualified local governmental unit or units that apply.

(b) The application includes a development plan.

(c) The proposed renaissance zone is not more than 5,000 acres in size.

(d) The renaissance zone does not contain more than 10 distinct geographic areas. Except as otherwise provided in this subdivision, the minimum size of a distinct geographic area is not less than 5 acres. A qualified local governmental unit or units may designate not more than 4 distinct geographic areas in each renaissance zone to have no minimum size requirement.

(e) The application includes the proposed duration of renaissance zone status, not to exceed 15 years, except as otherwise provided in this section.

(f) If the qualified local governmental unit has an elected county executive, the county executive's written approval of the application.

(g) If the qualified local governmental unit is a city, that city's mayor's written approval of the application.

(2) A qualified local governmental unit may submit not more than 1 application to the review board for designation as a renaissance zone. A resolution provided by a city, village, or township under section 7(2) does not constitute an application of a city, village, or township for a renaissance zone under this act.

(3) For a distinct geographic area described in subsection (1)(d), a village may include publicly owned land within the boundaries of any distinct geographic area.

(4) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a may designate additional distinct geographic areas not to exceed a total of 10 distinct geographic areas upon application to and approval by the board. The duration of renaissance zone status for the additional distinct geographic areas shall not exceed 15 years except as provided in subsection (5).

(5) If a qualified local governmental unit or units designate additional distinct geographic areas in a renaissance zone under subsection (4), the qualified local governmental unit or units may extend the duration of the renaissance zone status of 1 or more distinct geographic areas in that renaissance zone until 2017 upon application to and approval by the board.

(6) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a may, upon application to and approval by the board, seek to extend the duration of renaissance zone status until 2017. Upon application, the board may extend the duration of renaissance zone status.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1999, Act 139, Imd. Eff. Oct. 11, 1999;—Am. 2000, Act 259, Imd. Eff. June 29, 2000;—Am. 2002, Act 477, Imd. Eff. June 27, 2002.

**Compiler's note:** Enacting section 1 of Act 477 of 2002 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for 1 or more distinct geographic areas whose duration of renaissance zone status has been extended on and after April 1, 2002. Any action by a qualified local governmental unit on and after April 1, 2002 and until the effective date of this amendatory act to extend the duration of renaissance zone status on additional distinct geographic areas without approval by the board is null and void."

#### **125.2685 Renaissance zone review board; creation; membership; review of applications; recommendations; submission date; compensation; reimbursement for travel and expenses.**

Sec. 5. (1) The renaissance zone review board is created. The review board shall consist of the board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004.

(2) The review board shall review all applications submitted by qualified local governmental units and make recommendations to the board for approval based on the criteria contained in section 7.

(3) The review board and the board shall not consider an application if the application was submitted after September 30, 1996 for designations under section 8.

(4) Members of the board and the review board shall serve without compensation for their membership on the board and the review board, but members of the board and the review board may receive reasonable reimbursement for necessary travel and expenses.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1999, Act 98, Eff. Oct. 11, 1999.

#### **125.2686 Renaissance zone review board; duties; prohibitions; modifications; payment in lieu of taxes.**

Sec. 6. (1) The board shall review all recommendations submitted by the review board and determine which applications meet the criteria contained in section 7.

(2) The board shall do all of the following:

(a) Designate renaissance zones.

(b) Subject to subsection (3), approve or reject the duration of renaissance zone status.

(c) Subject to subsection (3), approve or reject the geographic boundaries and the total area of the renaissance zone as submitted in the application.

(3) The board shall not alter the geographic boundaries of the renaissance zone or the duration of renaissance zone status described in the application unless the qualified local governmental unit or units and the local governmental unit or units in which the renaissance zone is to be located consent by resolution to the alteration.

(4) The board shall not designate a renaissance zone under section 8 before November 1, 1996 or after December 31, 1996.

(5) The designation of a renaissance zone under this act shall take effect on January 1 in the year following designation. However, for purposes of the taxes exempted under section 9(2), the designation of a renaissance zone under this act shall take effect on December 31 in the year of designation.

(6) The board shall not designate a renaissance zone under section 8a after December 31, 2002.

(7) Through December 31, 2002, a qualified local governmental unit in which a renaissance zone was designated under section 8 or 8a may modify the boundaries of that renaissance zone to include contiguous parcels of property as determined by the qualified local governmental unit and approval by the review board. The additional contiguous parcels of property included in a renaissance zone under this subsection do not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcels of property shall become part of the original renaissance zone on the same terms and conditions as the original designation of that renaissance zone.

(8) Notwithstanding any other provisions of this act, before July 1, 2004, a qualified local governmental unit in which a renaissance zone was designated under section 8a(1) as a renaissance zone located in a rural area may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than .5 acres in size and that the qualified local governmental unit previously sought to have included in the zone by submitting an application in February 2002 that was not acted upon by the review board. The additional contiguous parcel of property included in a renaissance zone under this subsection does not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(9) A business that is located and conducts business activity within a renaissance zone designated under section 8(1) and (2), 8a(1) and (3), 8c(1), or 8d(1) shall not make a payment in lieu of taxes to any taxing jurisdiction within the qualified local governmental unit in which the renaissance zone is located.

(10) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of less than 50 contiguous acres but more than 20 contiguous acres was designated under section 8 or 8a as a renaissance zone in a city located in a county with a population of more than 160,000 and less than 170,000 may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than 12 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(11) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of more than 500 acres was designated under section 8 or 8a as a renaissance

zone in a county with a population of more than 61,000 and less than 64,000 may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than 12 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(12) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of more than 137 acres was designated under section 8 or 8a as a renaissance zone in a county with a population of more than 61,000 and less than 63,000 may modify the boundaries of that renaissance zone to include a parcel of property that is separated from the existing renaissance zone by a roadway as determined by the qualified local governmental unit. The parcel of property shall only include property that is less than 67 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1999, Act 139, Imd. Eff. Oct. 11, 1999;—Am. 2000, Act 259, Imd. Eff. June 29, 2000;—Am. 2002, Act 478, Imd. Eff. June 27, 2002;—Am. 2003, Act 93, Imd. Eff. July 24, 2003;—Am. 2004, Act 16, Imd. Eff. Mar. 4, 2004;—Am. 2004, Act 430, Imd. Eff. Dec. 20, 2004;—Am. 2006, Act 116, Imd. Eff. Apr. 11, 2006.

#### **125.2687 Renaissance zone; designation; criteria; resolution; report of transaction with or gift to official or employee of local governmental unit.**

Sec. 7. (1) The board shall consider the following criteria in designating a renaissance zone:

- (a) Shall give priority to applications that include new business activity.
- (b) Evidence of adverse economic and socioeconomic conditions within the proposed renaissance zone.
- (c) The viability of the development plan.
- (d) Whether the development plan is creative and innovative.
- (e) Public and private commitment to and other resources available for the proposed renaissance zone.
- (f) How renaissance zone designation would relate to a broader plan for the community as a whole.
- (g) The level of demonstrated cooperation from surrounding communities.
- (h) How the local regulatory burden will be eased for businesses operating in the proposed renaissance zone.

(i) Public and private commitment to improving abandoned real property.

(j) Any other information required by the board.

(2) The board shall not designate an area as a renaissance zone unless each city, village, or township, within which the proposed renaissance zone is to be located, provides a resolution from its governing body that states if the renaissance zone designation is granted, persons and property within the renaissance zone are exempt from taxes levied by that city, village, or township as provided in this act.

(3) Within a 12-month period immediately preceding and immediately following designation of a renaissance zone or submission of an application for consideration as a renaissance zone, an individual who is a resident of a renaissance zone or an area being considered for designation as a renaissance zone, a business that is located and conducts business activity within a renaissance zone or an area being considered for designation as a renaissance zone, or an officer of a business that is located and conducts business activity within a renaissance zone or an area being considered for designation as a renaissance zone shall report to the chief executive officer of the local governmental unit in which the renaissance zone is designated or the local governmental unit that has applied for renaissance zone designation any transaction with or gift to any official or employee of that local governmental unit. As used in this subsection, “gift” means that term as defined in section 4 of 1978 PA 472, MCL 4.414.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 2000, Act 259, Imd. Eff. June 29, 2000.

#### **125.2688 Designation of renaissance zones; limitation; additional zones; submission of designations to legislature; rejection of designations by concurrent resolution.**

Sec. 8. (1) Except as provided in subsection (2), section 8a, section 8c, and section 8d, the board shall not designate more than 9 renaissance zones within this state. Not more than 6 of the renaissance zones shall be located in urban areas and not more than 4 of the renaissance zones shall be located in rural areas. For purposes of determining whether a renaissance zone is located in an urban area or rural area under this

section, if any part of a renaissance zone is located within an urban area, the entire renaissance zone shall be considered to be located in an urban area.

(2) The board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and has closed after 1990.

(3) Each renaissance zone designated by the board under section 8a shall be submitted to the legislature, which, by concurrent resolution adopted by a majority vote of those elected to and serving in each house, on a record roll call vote, may reject that designation no later than the earlier of 45 days following the date of the designation by the board or December 31 of the year of designation.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1999, Act 139, Imd. Eff. Oct. 11, 1999;—Am. 2003, Act 93, Imd. Eff. July 24, 2003;—Am. 2003, Act 266, Imd. Eff. Jan. 5, 2004.

### **125.2688a Additional renaissance zones; designation; property located in alternative energy zone; definitions.**

Sec. 8a. (1) Except as provided in subsections (2), (3), and (4), the board shall not designate more than 9 additional renaissance zones within this state under this section. Not more than 6 of the renaissance zones shall be located in urban areas and not more than 5 of the renaissance zones shall be located in rural areas. For purposes of determining whether a renaissance zone is located in an urban area or rural area under this section, if any part of a renaissance zone is located within an urban area, the entire renaissance zone shall be considered to be located in an urban area.

(2) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 10 additional renaissance zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone within their boundaries. The board of the Michigan strategic fund may designate not more than 1 of the 10 additional renaissance zones described in this subsection as an alternative energy zone. An alternative energy zone shall promote and increase the research, development, and manufacturing of alternative energy technology as that term is defined in the Michigan next energy authority act. An alternative energy zone shall have a duration of renaissance zone status for a period not to exceed 20 years as determined by the board of the Michigan strategic fund. Not later than April 16, 2004, the board of the Michigan strategic fund may designate not more than 1 of the 10 additional renaissance zones described in this subsection as a pharmaceutical renaissance zone. A pharmaceutical renaissance zone shall promote and increase the research, development, and manufacturing of pharmaceutical products of an eligible pharmaceutical company. The board of the Michigan strategic fund may designate not more than 5 of the additional 10 renaissance zones described in this subsection as a redevelopment renaissance zone. A redevelopment renaissance zone shall promote the redevelopment of existing industrial facilities. Before designating a renaissance zone under this subsection, the board of the Michigan strategic fund may enter into a development agreement with the city, township, or village in which the renaissance zone will be located.

(3) In addition to the not more than 9 additional renaissance zones described in subsection (1), the board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and was closed in 1977 or after 1990.

(4) Land owned by a county or the qualified local governmental unit or units adjacent to a zone as described in subsection (3) may be included in this zone.

(5) Notwithstanding any other provision of this act, property located in the alternative energy zone that is classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the concurrence of the assessor of the local tax collecting unit, determines is not used to directly promote and increase the research, development, and manufacturing of alternative energy technology is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

(a) "Eligible pharmaceutical company" means a company that meets all of the following criteria:

(i) Is engaged primarily in manufacturing, research and development, and sale of pharmaceuticals.

(ii) Has not less than 8,500 employees located in this state, all of whom are located within a 100-mile radius of each other.

(iii) Of the total number of employees located in this state, has not less than 4,800 engaged primarily in research and development of pharmaceuticals.

(b) "Redevelopment renaissance zone" means a renaissance zone that meets 1 of the following:

(i) All of the following:

(A) Is located in a city with a population of more than 7,500 and less than 8,500 and is located in a county

with a population of more than 60,000 and less than 70,000.

(B) Contains an industrial site of 200 or more acres.

(ii) All of the following:

(A) Is located in a city with a population of more than 13,000 and less than 14,000 and is located in a county with a population of more than 1,000,000 and less than 1,300,000.

(B) Contains an industrial site of 300 or more contiguous acres.

(iii) All of the following:

(A) Is located in a township with a population of more than 5,500 and is located in a county with a population of less than 24,000.

(B) Contains an industrial site of more than 850 acres and has railroad access.

(iv) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains an industrial site of more than 475 acres.

(v) All of the following:

(A) Is located in a city with a population of more than 21,000 and less than 26,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains an industrial site of less than 45 acres in size.

**History:** Add. 1999, Act 98, Eff. Oct. 11, 1999;—Am. 2000, Act 259, Imd. Eff. June 29, 2000;—Am. 2002, Act 512, Imd. Eff. July 23, 2002;—Am. 2002, Act 587, Imd. Eff. Oct. 16, 2002;—Am. 2004, Act 430, Imd. Eff. Dec. 20, 2004;—Am. 2006, Act 116, Imd. Eff. Apr. 11, 2006.

#### **125.2688b Applicability of §§ 15.261 to 15.275 to local governmental units.**

Sec. 8b. It is the intent of the legislature that local governmental units subject to this act shall follow all state statutes that relate to condemnation of property and the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

**History:** Add. 1999, Act 98, Eff. Oct. 11, 1999.

#### **125.2688c Additional renaissance zones for agricultural processing facilities.**

Sec. 8c. (1) The board, upon recommendation of the board of the Michigan strategic fund defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 20 additional renaissance zones for agricultural processing facilities within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone for an agricultural processing facility within their boundaries.

(2) Each renaissance zone designated for an agricultural processing facility under this section shall be 1 continuous distinct geographic area.

(3) The board may revoke the designation of all or a portion of a renaissance zone for an agricultural processing facility if the board determines that the agricultural processing facility fails to commence operation or ceases operation in a renaissance zone designated under this section.

**History:** Add. 2000, Act 259, Imd. Eff. June 29, 2000;—Am. 2003, Act 93, Imd. Eff. July 24, 2003.

#### **125.2688d Tool and die renaissance recovery zones; definitions.**

Sec. 8d. (1) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 25 tool and die renaissance recovery zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a recovery zone within their boundaries. A recovery zone shall have a duration of renaissance zone status for a period of not less than 5 years and not more than 15 years as determined by the board of the Michigan strategic fund. If the Michigan strategic fund determines that the duration of renaissance zone status for a recovery zone is less than 15 years, then the Michigan strategic fund, with the consent of the city, village, or township or combination of cities, villages, or townships in which the qualified tool and die business is located, may extend the duration of renaissance zone status for the recovery zone for 1 or more periods that when combined do not exceed 15 years. Not less than 1 of the recovery zones shall consist of 1 or more qualified tool and die businesses that have a North American industrial classification system (NAICS) of 332997.

(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists of not less than 4 and not more than 20 qualified tool and die businesses at the time of designation. If the board of the Michigan strategic fund designated 1 or more recovery zones that contain less than 20 qualified tool and die businesses before December 19, 2005, the board of the Michigan strategic fund

may add additional qualified tool and die businesses to that recovery zone subject to the limitations contained in this subsection. A recovery zone shall consist of only qualified tool and die business property. The board of the Michigan strategic fund may combine existing recovery zones that are comprised solely of tool and die businesses that are parties to the same qualified collaborative agreement. Where 2 or more recovery zones have been combined, the board of the Michigan strategic fund may continue to designate additional recovery zones, provided that no more than 25 tool and die recovery zones exist at 1 time.

(3) The board of the Michigan strategic fund may revoke the designation of all or a portion of a recovery zone with respect to 1 or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement. A qualified tool and die business may enter into another qualified collaborative agreement once it is designated part of a recovery zone.

(4) One or more qualified tool and die businesses subject to a qualified collaborative agreement may merge into another group of qualified tool and die businesses subject to a different qualified collaborative agreement upon application to and approval by the Michigan strategic fund.

(5) A qualified tool and die business in a recovery zone may have a different period of renaissance zone status than other qualified tool and die businesses in the same recovery zone.

(6) The board of the Michigan strategic fund may modify an existing recovery zone to add 1 or more qualified tool and die businesses with the consent of all other qualified tool and die businesses that are participating in the recovery zone.

(7) As used in this section:

(a) "Qualified collaborative agreement" means an agreement that demonstrates synergistic opportunities, including, but not limited to, all of the following:

(i) Sales and marketing efforts.

(ii) Development of standardized processes.

(iii) Development of tooling standards.

(iv) Standardized project management methods.

(v) Improved ability for specialized or small niche shops to develop expertise and compete successfully on larger programs.

(b) "Qualified tool and die business" means a business entity that meets all of the following:

(i) Has a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or has a North American industrial classification system (NAICS) of 337215 and operates a facility within an existing renaissance zone, which facility is adjacent to real property not located in a renaissance zone and is located within 1/4 mile of a Michigan technical education center.

(ii) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund consisting of not fewer than 4 or more than 20 other business entities at the time of designation that have a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515.

(iii) Has fewer than 75 full-time employees.

(c) "Qualified tool and die business property" means 1 or more of the following:

(i) Property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that own the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation.

(ii) Property leased by 1 or more qualified tool and die business for which the qualified tool and die business is liable for ad valorem property taxes and which is used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that lease the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation. The qualified tool and die business shall furnish proof of its ad valorem property tax liability to the department of treasury.

**History:** Add. 2003, Act 266, Imd. Eff. Jan. 5, 2004;—Am. 2004, Act 202, Imd. Eff. July 13, 2004;—Am. 2005, Act 276, Imd. Eff. Dec. 19, 2005;—Am. 2006, Act 93, Imd. Eff. Apr. 4, 2006.

## **125.2689 Exemption, deduction, or credit.**

Sec. 9. (1) Except as otherwise provided in section 10, an individual who is a resident of a renaissance zone or a business that is located and conducts business activity within a renaissance zone shall receive the

exemption, deduction, or credit as provided in the following for the period provided under section 6(2)(b):

(a) Section 39b of the single business tax act, Act No. 228 of the Public Acts of 1975, being section 208.39b of the Michigan Compiled Laws.

(b) Section 31 of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.31 of the Michigan Compiled Laws.

(c) Section 35 of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.635 of the Michigan Compiled Laws.

(d) Section 5 of the city utility users tax act, Act No. 100 of the Public Acts of 1990, being section 141.1155 of the Michigan Compiled Laws.

(2) Except as otherwise provided in section 10, property located in a renaissance zone is exempt from the collection of taxes under all of the following:

(a) Section 7ff of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.7ff of the Michigan Compiled Laws.

(b) Section 11 of Act No. 198 of the Public Acts of 1974, being section 207.561 of the Michigan Compiled Laws.

(c) Section 12 of the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being section 207.662 of the Michigan Compiled Laws.

(d) Section 21c of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2121c of the Michigan Compiled Laws.

(e) Section 1 of Act No. 189 of the Public Acts of 1953, being section 211.181 of the Michigan Compiled Laws.

(f) Section 12 of the technology park development act, Act No. 385 of the Public Acts of 1984, being section 207.712 of the Michigan Compiled Laws.

(g) Section 51105 of part 511 (commercial forests) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.51105 of the Michigan Compiled Laws.

(h) Section 9 of the neighborhood enterprise zone act, Act No. 147 of the Public Acts of 1992, being section 207.779 of the Michigan Compiled Laws.

(3) During the last 3 years that the taxpayer is eligible for an exemption, deduction, or credit described in subsections (1) and (2), the exemption, deduction, or credit shall be reduced by the following percentages:

(a) For the tax year that is 2 years before the final year of designation as a renaissance zone, the percentage shall be 25%.

(b) For the tax year immediately preceding the final year of designation as a renaissance zone, the percentage shall be 50%.

(c) For the tax year that is the final year of designation as a renaissance zone, the percentage shall be 75%.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

### **125.2690 Individuals or businesses ineligible for exemption, deduction, or credit; limitations.**

Sec. 10. (1) An individual who is a resident of a renaissance zone or a business that is located and conducts business activity within a renaissance zone or a person that owns property located in a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2) for that taxable year if 1 or more of the following apply:

(a) The resident, business, or property owner is delinquent on December 31 of the prior tax year under 1 or more of the following:

(i) The single business tax act, 1975 PA 228, MCL 208.1 to 208.145.

(ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(iii) 1974 PA 198, MCL 207.551 to 207.572.

(iv) The commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

(v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

(vi) 1953 PA 189, MCL 211.181 to 211.182.

(vii) The technology park development act, 1984 PA 385, MCL 207.701 to 207.718.

(viii) Part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

(ix) The neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

(x) The city utility users tax act, 1990 PA 100, MCL 141.1151 to 141.1177.

(b) The resident, business, or property owner is substantially delinquent as defined in a written policy by the qualified local governmental unit in which the renaissance zone is located on December 31 of the prior tax year under 1 or both of the following:

(i) The city income tax act, 1964 PA 284, MCL 141.501 to 141.787.

(ii) Taxes, fees, and special assessments collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(c) For residential rental property in a renaissance zone, the residential rental property is not in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes and, except as otherwise provided in this subdivision, the residential rental property owner has not filed an affidavit before December 31 in the immediately preceding tax year with the local tax collecting unit in which the residential rental property is located as required under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff. Beginning December 31, 2004, a residential rental property owner is not required to file an affidavit if the qualified local governmental unit in which the residential rental property is located determines that the residential rental property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, and codes on December 31 of the immediately preceding tax year.

(2) An individual who is a resident of a renaissance zone is eligible for an exemption, deduction, or credit under section 9(1) and (2) until the department of treasury determines that the aggregate state and local tax revenue forgone as a result of all exemptions, deductions, or credits granted under this act to that individual reaches \$10,000,000.00.

(3) A casino located and conducting business activity within a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). Real property in a renaissance zone on which a casino is operated, personal property of a casino located in a renaissance zone, and all property associated or affiliated with the operation of a casino is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). As used in this subsection, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

(4) For tax years beginning on or after January 1, 1997, an individual who is a resident of a renaissance zone shall not be denied the exemption under subsection (1) if the individual failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(ii) and that individual was entitled to a refund under that act.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 1998, Act 239, Imd. Eff. July 3, 1998;—Am. 1999, Act 36, Imd. Eff. June 3, 1999;—Am. 1999, Act 139, Imd. Eff. Oct. 11, 1999;—Am. 2000, Act 259, Imd. Eff. June 29, 2000;—Am. 2005, Act 164, Imd. Eff. Oct. 6, 2005.

### **125.2691 Application form.**

Sec. 11. The form of the application for a renaissance zone designation shall be as specified by the Michigan jobs commission. After the form of the application is specified by the Michigan jobs commission, the Michigan jobs commission shall file a copy of the application with each house of the legislature. The board may request any information from an applicant, in addition to that contained in an application, as may be needed to permit the board to discharge its responsibilities under this act.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

### **125.2692 Reimbursement to intermediate school districts, local school districts, community college districts, public libraries, and school aid fund.**

Sec. 12. (1) This state shall reimburse intermediate school districts each year for all tax revenue lost as the result of the exemption of property under this act, based on the property's taxable value in that year, from taxes levied under section 625a of the revised school code, 1976 PA 451, MCL 380.625a; from taxes levied for area vocational-technical program operating purposes under section 681 of the revised school code, 1976 PA 451, MCL 380.681; and from taxes levied for special education operating purposes under section 1724a of the revised school code, 1976 PA 451, MCL 380.1724a.

(2) This state shall reimburse local school districts each year for all tax revenue lost as the result of the exemption of property under this act from taxes levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, based on the property's taxable value in that year.

(3) This state shall reimburse a community college district and a public library each year for all tax revenue lost as a result of the exemption of property under this act, based on the property's taxable value in that year, from taxes levied or collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(4) Intermediate school districts, community college districts, and public libraries eligible for reimbursement under subsections (1) and (3) shall report to and on a date determined by the department of treasury all revenue lost for which reimbursement under subsections (1) and (3) is claimed. A local school district eligible for reimbursement under subsection (2) shall report each year on a date determined by the

department of treasury all revenue lost for which reimbursement under subsection (2) is claimed.

(5) This state shall reimburse the school aid fund for all revenues lost as the result of the establishment of renaissance zones. Foundation allowances calculated under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, shall not be reduced as a result of lost revenues arising from this act.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996;—Am. 2002, Act 745, Imd. Eff. Dec. 30, 2002.

#### **125.2693 Business conducted at public meeting.**

Sec. 13. (1) The board and the review board shall conduct all business at public meetings held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of each meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(2) A record or a portion of a record, material, application, or other data received, prepared, used, or retained by the board or review board is subject to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

#### **125.2694 Construction of act.**

Sec. 14. This act shall be construed liberally to effectuate the legislative intent and the purposes of this act and as complete and independent authority for the performance of each and every act and thing authorized by this act, and all powers granted by this act shall be broadly interpreted to effectuate the intent and purposes of this act and not as a limitation of powers.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

#### **125.2695 Report to legislature.**

Sec. 15. The department of Michigan jobs commission shall annually report to the legislature on the economic effects of this act in each renaissance zone. The report shall include, but is not limited to, all of the following for each renaissance zone:

- (a) Number of new jobs created.
- (b) Percentage change in aggregate taxable value and state equalized value.
- (c) Average wage of new jobs created.
- (d) Percentage change of adjusted gross income of residents.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.

#### **125.2696 Report by state research university.**

Sec. 16. A state research university shall annually report to the legislature on the economic effects of this act in each renaissance zone. The report shall include, but is not limited to, all of the following for each renaissance zone:

- (a) Number of new jobs created.
- (b) Percentage change in aggregate taxable value and state equalized value.
- (c) Average wage of new jobs created.
- (d) Percentage change of adjusted gross income of residents.

**History:** 1996, Act 376, Imd. Eff. July 17, 1996.